

**Minutes of the Personnel Committee
Tuesday, October 18, 2005**

Chair Paulson called the meeting to order at 1 p.m. and led the committee in the Pledge of Allegiance.

Present: Supervisors Duane Paulson (Chair), Genia Bruce, Tom Bullermann, Robert Hutton, Jeff Morris, Bonnie Morris and Bob Thelen.

Also Present: Labor Relations Manager Jim Richter, Employee Benefits Administrator Pete Hans, Principal Human Resources Analyst Terri Sgarlata-Lutz, Office Services Coordinator Windy Jicha.

Approve Minutes of October 11, 2005

MOTION: Bonnie Morris moved, Bruce second, to approve the minutes of October 11, 2005 as amended. Motion carried: 7-0.

Schedule Next Meeting Dates

- November 1
- November 15
- December 6

Ordinance 160-O-062: Ratification Of 2005 – 2006 – 2007 AFSCME Local 2494 Public Health Nurses Collective Bargaining Agreement

Ordinance 160-O-063: Ratification Of 2005 – 2006 – 2007 AFSCME Local 902 Social Worker Collective Bargaining Agreement

MOTION: Bonnie Morris moved, Jeff Morris second, to delete section 2, letter C of Ordinance 160-O-063. Motion carried: 7-0.

Ordinance 160-O-064: Ratification Of 2005 – 2006 – 2007 AFSCME Local 1365 Park Maintenance Employee Collective Bargaining Agreement

MOTION: Bonnie Morris moved, Bruce second, to delete section 2, letter C of Ordinance 160-O-064. Motion carried: 7-0.

MOTION: Bullermann moved, Hutton second, to approve Ordinances 160-O-062, 160-O-063 as amended and 160-O-064 as amended. Motion carried: 7-0.

Approve 2006 Operating Budgets for the County Board Office, County Executive's Office, Corporation Counsel's Office, and County Clerk's Office

MOTION: Bullermann moved, Bruce second, to approve the 2006 operating budgets for the following offices: County Board, County Executive's, Corporation Counsel's and County Clerk's. Motion carried: 7-0.

Approve Health Care Reimbursement Account Grace Period

Hans distributed and reviewed a handout titled Health Care Reimbursement Account (HCRA) Grace Period. Waukesha County currently offers a Section 125 flexible benefits program to employees and elected officials. These benefits are governed under IRS regulations and are typically funded with employee dollars. Through the HCRA, employees can pay for out-of-pocket medical expenses on a pre-tax basis through the payroll deduction. The IRS imposes a “use-it-or-lose-it” rule, whereby funds that are not used by the end of the plan year are forfeited.

This year, the IRS issued Notice 2005-42 allowing participants to be reimbursed under for qualified expenses incurred during the two and one-half month period immediately following the end of the year

for which the money was contributed. The extended grace period gives participants extra time to use their HCRA balances and reduces employee forfeitures. Under the new grace period, employees have until June 15 of the next plan year to file claims for reimbursement.

MOTION: Jeff Morris moved, Thelen second, to approve the new grace period for the HCRA. Motion carried: 7-0.

Update on Medicare Part D Study

Hans distributed and reviewed a handout titled, Update on Medicare Part D Implementation. Hans explained that Medicare has established a voluntary prescription drug benefit for Medicare eligible retirees beginning January 1, 2006 called Medicare Part D. Medicare Part D will be provided through either private prescription drug plans that offer drug only coverage or through Medicare Advantage plans that offer both prescription drug coverage and medical coverage. The introduction of Medicare Part D will lower the cost of group health insurance coverage for Medicare eligible Waukesha County retirees. The Centers for Medicare and Medicaid Services estimated that plan sponsors choosing to offer comprehensive drug coverage by supplementing or enhancing Medicare Part D drug benefits will achieve annual cost savings of at least \$900 due to the federal government subsidizing a significant portion of the cost of standard part D coverage.

Waukesha County's group health plan administrator, UnitedHealthcare, has contracted with Walgreen's Health Initiatives to be its Medicare Part D Prescription Drug Plan. The county's consulting actuary calculated the cost impact of this new plan and found it will result in a significant premium reduction for retirees. Federal legislation is working on an aggressive timeline to implement this plan so we have quite a bit of work to do to implement the plan by the end of the year.

Hans said we've gotten good feedback from retirees on these changes because it will reduce costs for retirees. We don't have a lot of flexibility for the 2006 plan options but anticipate having more in 2007 when the county has more time to develop more flexible plans. Hans reviewed the charts on the handout outlining the expected savings for retirees.

Hans said the county needs to make changes to the county's plan per the recommendation of the Retiree Benefit Committee through an ordinance. Hans can start moving forward with plan changes once the Personnel Committee gives him the go ahead.

In absence of objections from the Personnel Committee, Hans will move forward amending the county's plan per the discussion today.

MOTION: Bonnie Morris moved, Thelen second, to adjourn the meeting at 1:47 p.m. Motion carried: 7-0.

Respectfully submitted,

Bonnie J. Morris
Secretary